



COMPTROLLER

UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

JAN 14 2005

The Honorable Joshua B. Bolten  
Director  
Office of Management and Budget  
Washington, DC 20503

Dear Mr. Bolten:

Enclosed is a letter transmitting a report of violations of section 1341(a)(1)(A) of Title 31, United States Code to the President.

The Antideficiency Act violations, Army case number 01-01, totaled \$11,173.90. This violation report is required by section 1351 of Title 31, United States Code, to be submitted to the President; it is being submitted through the Director of the Office of Management and Budget. The Army did not receive a clean audit opinion during the fiscal years in which the violation occurred.

To comply with the aforementioned provisions, copies of the report are also being submitted to the President of the Senate and the Speaker of the House of Representatives.

Sincerely,



Tina W. Jonas

Enclosure:  
As stated



**UNDER SECRETARY OF DEFENSE**  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

JAN 14 2005

COMPTROLLER

President George W. Bush  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President:

This letter is to report violations of the Antideficiency Act, as required by section 1351 of Title 31, United States Code.

The Antideficiency Act violations, Department of the Army case number 01-01, totaled \$11,173.90. The violations occurred in the fiscal year 1999 and 2000, Operation and Maintenance, Army appropriations. The violations occurred when personnel associated with the 204<sup>th</sup> Military Intelligence Battalion, Fort Bliss, Texas, improperly used appropriated funds to purchase wineglasses, pay personal entertainment related expenses, purchase aviation patches, pay per diem and other costs for a non-official event, and purchase food and food-related items including food services at several non-official events and locations. These expenditures for improper goods and services were violations of Title 31, United States Code subsection 1341(a)(1)(A).

Enclosed is a report from the Deputy Assistant Secretary of the Army (Financial Operations). The following individuals assigned to the 204<sup>th</sup> Military Intelligence Battalion, Fort Bliss, Texas, were named responsible for the violation.

Lieutenant Colonel Charles R. Mehle, Commander, August 16, 1999 through July 2001  
Lieutenant Colonel Mark W. Perrin, Commander, September 10, 1997 through

August 15, 1999

Major Joseph A. Wucik, Executive Officer

Captain Dwight D. Croy, Chaplain

Captain John C. Molina, Chaplain

Captain Scott P. Ditto, Logistics Staff Officer

Chief Warrant Officer Five, William J. Schaller, Standardization Officer

Command Sergeant Major, Charles R. Halloway

Mr. Miguel A. Perez, Deputy Logistics Staff Officer and

Government Purchase Card Billing Official

Chief Warrant Officer Two, Lorenzo J. Ceballos, Property Book Officer  
and Government Purchase Card Billing Official


Chief Warrant Officer Two, Terrence R. Young, Property Book Officer  
and Government Purchase Card Billing Official

Six individuals received letters of reprimand. Four individuals were issued counseling statements. One individual was given an oral reprimand. The Army concluded there was no knowing or willful violation of the Antideficiency Act by the individuals named responsible for it.

Corrective action was taken to withdraw fund certification from the 204<sup>th</sup> Military Intelligence Battalion, Fort Bliss, Texas. Funds are now certified by the 513<sup>th</sup> Military Intelligence Brigade, Fort Gordon, Georgia.

Identical reports are being submitted to the President of the Senate and the Speaker of the House of Representatives.

Respectfully yours,



Tina W. Jonas

Enclosure:  
As stated



**UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100**

**JAN 14 2005**

**COMPTROLLER**

**The Honorable Richard B. Cheney  
President of the Senate  
285 Eisenhower Executive Office Building  
Washington, DC 20501**

**Dear Mr. President:**

**This letter is to report violations of the Antideficiency Act, as required by section 1351 of Title 31, United States Code.**

**The Antideficiency Act violations, Department of the Army case number 01-01, totaled \$11,173.90. The violations occurred in the fiscal year 1999 and 2000, Operation and Maintenance, Army appropriations. The violations occurred when personnel associated with the 204<sup>th</sup> Military Intelligence Battalion, Fort Bliss, Texas, improperly used appropriated funds to purchase wineglasses, pay personal entertainment related expenses, purchase aviation patches, pay per diem and other costs for a non-official event, and purchase food and food-related items including food services at several non-official events and locations. These expenditures for improper goods and services were violations of Title 31, United States Code subsection 1341(a)(1)(A).**

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Identical reports are being submitted to the President and the Speaker of the House of Representatives.

Sincerely,



Tina W. Jonas

Enclosure:  
As stated



**UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100**

**JAN 14 2005**

**COMPTROLLER**

**The Honorable J. Dennis Hastert  
Speaker of the House of Representatives  
U.S. House of Representatives  
Washington, DC 20515**

**Dear Mr. Speaker:**

**This letter is to report violations of the Antideficiency Act, as required by section 1351 of Title 31, United States Code.**

**The Antideficiency Act violations, Department of the Army case number 01-01, totaled \$11,173.90. The violations occurred in the fiscal year 1999 and 2000, Operation and Maintenance, Army appropriations. The violations occurred when personnel associated with the 204<sup>th</sup> Military Intelligence Battalion, Fort Bliss, Texas, improperly used appropriated funds to purchase wineglasses, pay personal entertainment related expenses, purchase aviation patches, pay per diem and other costs for a non-official event, and purchase food and food-related items including food services at several non-official events and locations. These expenditures for improper goods and services were violations of Title 31, United States Code subsection 1341(a)(1)(A).**

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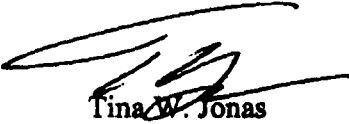
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Identical reports also are being submitted to the President and the President of the Senate.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tina W. Jonas', with a long horizontal stroke extending to the right.

Enclosure:  
As stated



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
**OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY**  
**FINANCIAL MANAGEMENT AND COMPTROLLER**  
100 ARMY PENTAGON  
WASHINGTON DC 20310-0100

September 23, 2004

**MEMORANDUM FOR DEPUTY CHIEF FINANCIAL OFFICER, OFFICE OF THE  
UNDER SECRETARY OF DEFENSE (COMPTROLLER)**

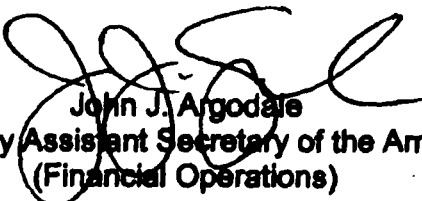
**SUBJECT: Report on Antideficiency Act Violation Case 01-01 (Internal 00-09)**

Several Antideficiency Act (ADA) Violations occurred within the 204th Military Intelligence Battalion, Fort Bliss, Texas during the period February 1999 through May 2000. The violations occurred when Operation and Maintenance, Army (OMA) funds were improperly used to procure a series of goods and services. The OMA funds were used to fund "Dining Out" expenses, per diem and rental cars for participation in the Army Ten-Miler Run, several Chaplain's retreats, and food for nonofficial unit functions. The expenditures resulted in a violation of the Antideficiency Act under Section 1341(a)(1)(A), of title 31 United States Code, in the amount of \$11,173.90.

The Intelligence and Security Command (INSCOM) discovered the violations during a staff assistance visit of resource operations on June 6, 2000. Corrective action has been taken to ensure that adequate controls are in place to prevent recurrence.

Our report on this case has been prepared in accordance with DoD Regulation 7000.14, dated August 1, 1995, and includes the corrective action taken by INSCOM. There were no indications that any employee committed these Antideficiency Act violations knowingly or willfully.

My point of contact for this report is Claire Nelson, who can be reached at (703) 693-3383, fax number (703) 614-9342, email: [Claire.nelson@hoda.army.mil](mailto:Claire.nelson@hoda.army.mil)

  
John J. Argodale  
Deputy Assistant Secretary of the Army  
(Financial Operations)

Enclosure  
Army Case # 01-01 (Internal # 00-09)



DEPARTMENT OF THE ARMY  
REPORT OF ANTIDEFICIENCY ACT VIOLATION  
ARMY CASE NUMBER 01-01

1. Appropriation Involved: 21 2020, Operation & Maintenance, Army (OMA), fiscal years (FY) 1999 and 2000.
2. Where Violation Occurred: 204th Military Intelligence (MI) Battalion (BN), Fort Bliss, Texas, subordinate to 513th MI Brigade, Fort Gordon, Georgia
3. Name and Location of Activity Issuing the Fund Authorization: U.S. Army Intelligence Command (INSCOM), Fort Belvoir, Virginia.
4. Amount of Violation: \$11,173.90 (FY 1999 - \$5,561.92, FY 2000 - \$5,611.98).
5. Dates of Violation: Various dates between February 1999 and May 2000.
6. Type of Violation: Title 31 United States Code, §1341(a)(1)(A).
7. Effect of Violation on Next Higher Level of Funding: The violations were for the improper use of OMA funds. There was no effect on the MACOM funding status.
8. Name and Position of Responsible Personnel:

All responsible personnel were assigned to the 204th MI BN, Fort Bliss, Texas.

- a. LTC Charles R. Mehle, Commander, (August 16, 1999 - July 30, 2001)
  - b. LTC Mark W. Perrin, Commander, (September 10, 1997 - August 15, 1999)
  - c. MAJ Joseph A. Wucik, Executive Officer
  - d. CPT Dwight D. Croy, Chaplain
  - e. CPT John C. Molina, Chaplain
  - f. CPT Scott P. Ditto, Logistics Staff Officer
  - g. CW5 William J. Schaller, Standardization Officer
  - h. CSM Charles R. Halloway, Command Sergeant Major
  - i. Mr. Miguel A. Perez, Deputy Logistics Staff Officer and Government Purchase Card Billing Official
  - j. CW2 Lorenzo J. Ceballos, Property Book Officer and Government Purchase Card Billing Official
  - k. CW2 Terrence R. Young, Property Book Officer and Government Purchase Card Billing Official
9. Signed Statements of the Responsible Individual: The original file of three years ago is missing several return receipts confirming notification of the responsible individuals. The investigating officer (now retired) has provided a written confirmation that the responsible individuals were notified on approximately

November 2, 2001. For those individuals found pecuniarily liable (Perez, Young, and Ceballos) the investigating officer confirms the hard and soft copies of the report were provided on approximately April 11, 2002. (Ms. Felicia D. DeJesus, GS-11, Resource Manager, was also initially named but has since remitted the amount she was responsible for. She is not mentioned again in this report and the total amount of the violation has been reduced by the remittance amount).

10. Date and Description of Discovery: The violation was discovered on June 6, 2000, when Headquarters INSCOM conducted a staff assistance visit of resource operations.

11. Cause and Circumstances Surrounding the Violation:

The violations were the result of the improper use of Operation and Maintenance, Army (OMA) funds in fiscal years 1999 and 2000. Listed below is a summary of the violations, the names of the responsible individuals, and the amounts involved.

a. Battalion Dining Out - Appropriated funds were used to purchase wine glasses and other expenses for a Dining Out conducted on December 21, 1999. Total cost was \$620.28.

(1) Appropriated funds were used to purchase 150 wineglasses for the dining out. Initial rationale used was that the glasses fell into the same category as awards and was appropriate as "recognition of excellence". Cost was \$359.00.

(2) Lease of audio equipment. Cost was \$250.00.

(3) Printed invitations. Cost was \$11.28.

Responsible individuals: LTC Mehle, CGM Holloway, CW2 Ceballos, and CW2 Young.

b. Chaplain Retreats - During fiscal years 1999 and 2000, the unit chaplains conducted religious retreats at various locations. The retreats included scheduled religious activities, meals, and lodging. They also included personal entertainment items such as ski lift tickets, admissions to caverns, and admissions to a zoo. Appropriated funds were used to fund the total cost of the events. AR 165-1 allows for the use of appropriated funds to conduct religious retreats, but does not allow for entertainment-related activities. Total costs for the personal entertainment during these religious retreats are \$2,510.00 (FY 1999 - \$992.00; FY 2000 - \$1,518.00).

(1) Sweetheart Retreat at Ski Apache, February 12 - 15, 1999. Purchase of ski-lift tickets and retreat expenses. Total cost was \$992.00

(2) Winter Spiritual Retreat at the Bonita Park Conference Center with lift tickets from Ski Apache, March 6 - 8, 2000. Lift ticket costs were \$1,518.00.

Responsible individuals: The respective commanders, LTC Perrin and LTC Mehle, approved the events. CW2 Ceballos was in a position to determine proper fund utilization, however, his initial cursory review indicated appropriated funds were correct.

c. RC - 7 Users Conference, December 7 - 8, 1999. Catering services were provided with appropriated funds at a conference facility. Attendees included TDY personnel as well as contractors. This session did not qualify as a conference nor as a training activity. No collection was attempted from the attendees. Total cost was \$716.04. Responsible individuals: CW5 Schaller, Mr. Perez, and LTC Mehle.

d. Air Reconnaissance Low (ARL) In Progress Review (IPR), March 9 - 10, 2000. Appropriated funds were used to cater food for the IPR. Total cost was \$751.92. Responsible individuals: CW5 Schaller, LTC Mehle and Mr. Perez.

e. Command Briefing, December 15, 1999. Appropriated funds were used to purchase snacks during the command briefing. Total cost was \$22.04. Responsible individuals: LTC Mehle, CPT Ditto, and CW2 Ceballos.

f. Unique aviation patch for unit flight crews, FY 1999. Appropriated funds were used to design and purchase unit aviation patches for unit flight crews. Total costs were \$2,835.00. Responsible individuals: MAJ Wucik and CW2 Young.

g. Thanksgiving meals for deployed soldiers. November 18, 1999. Appropriated funds were used to purchase food. The rationale was that these events were morale boosters. The unit should have requested these items through Troop Issue Support Activity (TISA). No formal attempt was made to collect from the soldiers who consumed the food. Total cost was \$343.62. Responsible individuals: LTC Mehle, CGM Halloway and CW2 Ceballos.

h. Catered food to support Air Force aircrews assisting in deployments. February 29, 2000. Appropriated funds were used for the catering of food to support Air Force crews who were transitioning equipment from CONUS to the deployment area. There was no attempt to collect funds from the air crews who were in TDY status nor were there any adjustments made to the travel vouchers for proportional meals. Total cost was \$150.00. Responsible individuals: LTC Mehle and CW2 Ceballos.

i. The Army Ten-Miler. Both FY 1999 (\$1164.64) and FY 2000 (\$1902.53). The unit sent a total of three people to compete in the Army "ten-miler" in late 1998 and late 1999. Appropriated funds were used for per diem and other costs. The unit was using outdated guidance that allowed for appropriated funds to pay for travel

of soldier participants under certain conditions, to include the Army Ten-Miler (Community Family Support Center memorandum, subject: Clarification of Funding Sources for Sports Events, dated September 5, 1995). More recent Army General Counsel guidance stated the Army Ten-Miler was not an official event and would not qualify for appropriated fund support (Army Office of General Counsel, Ethics and Fiscal, memorandum, dated July 16, 1999, subject: Funding of Temporary Duty Costs Incurred by Participants in Army Ten-Miler). Total costs were \$3,067.17.

j. Non-perishable food for deployed soldiers, October 19, 1999. Appropriated funds were used to purchase non-perishable food such as oatmeal, tuna, and popcorn for the unit's deployed soldiers. Email traffic indicated these items would be considered as an "operational cost" and "would not affect per diem." Total cost was \$157.83. Responsible individuals: LTC Mehle and CW2 Ceballos.

12. Disciplinary Action Taken: The 204th MI BN is a high Operating Tempo unit that conducts a 45-day deployment every quarter. The unit also sustained an aircraft crash in which 5 lives were lost. These events led to low morale within the unit and to the violations that occurred on various dates from February 1999 to May 2000. Actions such as the dining out, chaplain retreats and food purchases were an attempt to increase morale. While these actions were understandable, individuals who were in a position to ensure the correctness of the actions failed to do proper research or violated funding rules and proper procedures.

Letters of reprimand were issued to Mr. Perez, LTC Mehle, MAJ Wucik, CPT Ditto, CW5 Schaller, and CSM Holloway (CPT Ditto and CSM Holloway have since separated from the Army). Counseling statements were issued to LTC Perrin, CPT (Chaplain) Croy, CPT (Chaplain) Molina, and CW2 Young. CW2 Ceballos departed the command to an overseas location prior to the findings of the ADA and received an oral reprimand. Due to the passage of time, actual copies of these reprimands are only available for Mr. Perez and MAJ Wucik.

(INSCOM had initiated collection actions against the three certifying officers; CW2 Ceballos, CW2 Young, and Mr. Perez. Unfortunately, Army regulations at that time did not require the written appointment of certifying officers for purchase card transactions. Without written appointment orders DFAS has confirmed these "certifiers" were not confirmed accountable officers and are not subject to pecuniary liability for illegal payments).

The review of the supporting documentation indicated that no one acted in bad faith and no one willfully violated the Antideficiency Act.

13. Corrective Action Taken:

a. The 513th MI Brigade withdrew fund certification from the 204th MI BN.

- b. All 204th MI BN Resource Management Officer Personnel attended fiscal law training.
  - c. INSCOM revised their checklist for Resource Management Inspections.
  - d. INSCOM conducted MACOM-wide video teleconferences with "lessons learned"
  - e. INSCOM directed mandatory fiscal law training for all MACOM Career Program personnel.
14. System Adequacy: The system of administrative controls prescribed by the Office of Under Secretary of Defense (Comptroller) and the Assistant Secretary of the Army (Financial Management and Comptroller) were considered adequate.
15. Name of Holder of Funds: Commander, 204th MI BN, Fort Bliss, Texas (CDR LTC Perrin from September 1997 - August 15, 1999; CDR LTC Mehle from August 16, 1999 - July 30, 2001).

**STATEMENT OF  
ONE  
OF THE RESPONSIBLE INDIVIDUALS**

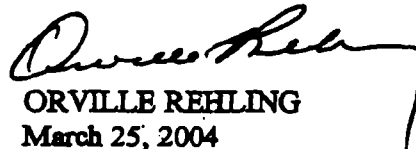
I, Orville Rehling, Investigating Officer for ADA violation 009, attest that all individuals considered or pecuniary liable were given the opportunity to review all pertinent documentation applicable to them and the opportunity to respond.

For those individuals considered responsible (Perez, Wucik, Ditto, Schaller, Perrin, Molina, Croy, Holloway, Mehle and DeJesus) portions of the 15-6 investigation (basis for and attachment to the ADA) that detailed each individual's violations were provided to them on approximately 2 November 2001. A cover letter explaining the attached list of violations also included a request for comment.

-----Coyle, while addressed in the report, was not considered responsible nor recommended for any punishment. His actions were considered administrative in nature and not integral to the decision process leading to the actions in question.

For those individuals found pecuniary liable (DeJesus, Perez, Young and Ceballos), I provided the preliminary ADA report which documented these individuals as pecuniary liable. I mailed copies of the report on approximately 11 April 2002. However, prior to mailing the report, these individuals were notified of the pending action by soft copy. All acknowledged receipt and verified mailing addresses except Perez. A duplicate hard copy was mailed to Perez on 20 June 2002. I do not remember specifically if Perez ever 'acknowledged' receipt of this data. In addition, a hard copy of the finding was given to Perez during the first week of August, 2003 at Ft. Bliss by the legal officer of the 513<sup>th</sup> Military Intelligence Brigade. I have since retired and email traffic pertaining to the above actions has been purged from the database.

If additional information is required, please feel free to contact me.

  
ORVILLE REHLING  
March 25, 2004  
Phone 703-414-9551 (w)  
Fax 703-412-3165 (w)

## **STATEMENT OF DISCIPLINARY OFFICIAL**





**DEPARTMENT OF THE ARMY**  
**UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND**  
**8625 BELLAH STREET**  
**FORT BELVOIR, VIRGINIA 22060-6246**

**IARM-F**

**13 September 2004**

**MEMORANDUM FOR Assistant Secretary of the Army Financial Management and  
Comptroller, ATTN: SAFM-FOF (Ms. Nelson), 109 Army Pentagon, Washington, DC 02310-  
0109**

**SUBJECT: Disciplinary Action for Antideficiency Action (ADA) Violation Case # 00-09**

1. Disciplinary action for ADA Case # 00-09 was taken in the form of Letters of Reprimand and Counseling Statements for the following individuals believed accountable for actions resulting in the ADA. Letters of Reprimand were issued to LTC Mehle, MAJ Wucik, CW5 Schaller, CPT Ditto, CSM Holloway and Mr. Perez. Counseling statements were issued to LTC Perrin, CPT Molina, CPT Croy and CW2 Young. CW2 Ceballos had a permanent change of station (PCS) to an overseas location prior to the findings of the ADA. He received an oral reprimand over the telephone.

2. POC for this memorandum is MAJ Kelly Mizell at (703) 428-4455 or [kelly.mizell@inscom.army.mil](mailto:kelly.mizell@inscom.army.mil).

**BILLY W. ANTLEY**  
**COL, GS**  
**ACofS, RM**